



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
[www.bpu.state.nj.us](http://www.bpu.state.nj.us)

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION)  
OF CONSOLIDATED EDISON )  
COMMUNICATIONS, INC. AND CON )  
EDISON COMMUNICATIONS, LLC FOR )  
AUTHORITY TO TRANSFER ASSETS AS )  
PART OF A PRO FORMA CORPORATE )  
RESTRUCTURING )

ORDER OF APPROVAL

DOCKET NO. TM02030168

(SERVICE LIST ATTACHED)

BY THE BOARD:

On March 12, 2002, Consolidated Edison Communications, Inc. (CECI) and Con Edison Communications LLC (CEC LLC) (collectively, the Petitioners), petitioned the Board of Public Utilities (Board), pursuant to N.J.S.A. 48:2-51 and 3-7, for approval of an internal reorganization in which CECI merged with and into its sister company, CEC LLC. Petitioner respectfully requests approval be granted nunc pro tunc.

BACKGROUND

CECI is a corporation formed under the laws of the State of New York and is a wholly-owned subsidiary of Consolidated Edison, Inc. (CEI). CECI's principal offices are located at 132 West 31<sup>st</sup> Street, 13<sup>th</sup> Floor, New York, NY 10001. CECI is authorized to provide, local exchange and interexchange telecommunications services in New Jersey. See Order I/M/O the Petition for an Order Authorizing Consolidated Edison Communications, Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE00100802, dated November 5, 2001. CEC LLC is a New York limited liability company and is indirectly wholly owned by CEI. CEC LLC is 99% owned by CEC Holding Member, Inc. (Member), a newly formed New York Corporation that will be a non-managing member of CEC LLC. Member is a wholly-owned indirect subsidiary of CEI. The remaining 1% of CEC LLC is owned by Con Edison Communications Inc. (Con Ed), also a newly formed New York corporation that according to the petition will serve as the managing member of CEC LLC. Con Ed is also a wholly-owned indirect subsidiary of CEI.

According to the petition, as part of a year end corporate restructuring designed to streamline operations and assist in long term tax planning, CECI consummated a corporate reorganization on December 31, 2001 whereby CECI was merged with and into CEC LLC, with CEC LLC as the surviving entity. All of the telecommunications assets were transferred by operation of law as the result of the merger of CECI and CEC LLC. Upon completion of the restructuring, CEC LLC

assumed the customers and operations of CECI. In New Jersey, CECI had no customers prior to the restructuring.

Petitioners point out that the ultimate corporate parent, CEI, did not change as the result of the restructuring and also notes that all of CECI's New Jersey employees would continue to be employees of the managing member of CEC LLC. Petitioners also aver that this reorganization will be made in a seamless fashion that will not adversely affect the provision of telecommunications services in New Jersey, but will, in fact, increase the financial strength of the entities that are providing service in New Jersey.

By letter dated January 15, 2003, the Ratepayer Advocate stated that it does not object to the approval of the petition.

## FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board is convinced that, with regard to the provision of service, since no customers were being served prior to the transaction, there will be no negative impact on service to New Jersey customers.

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with law and in the public interest. The Board HEREBY APPROVES the request by Petitioners for this transaction nunc pro tunc.

DATED: 5/20/03

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
JEANNE M. FOX  
PRESIDENT

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

(signed)  
CAROL J. MURPHY  
COMMISSIONER

(signed)  
CONNIE O. HUGHES  
COMMISSIONER

(signed)  
JACK ALTER  
COMMISSIONER

ATTEST:

(signed)  
KRISTI IZZO  
SECRETARY